

**LEAVENWORTH COUNTY RURAL
WATER DISTRICT NO. 10**
Linwood, Kansas

FINANCIAL STATEMENTS
For the years ended December 31, 2018 and 2017

And

INDEPENDENT AUDITOR'S REPORT

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RURAL WATER DISTRICT NO. 10

Leavenworth County, Kansas

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Karlin & Long, LLC
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL STATEMENTS**

To the Board of Directors
Rural Water District No. 10,
Leavenworth County, Kansas

We have audited the accompanying financial statements of the business-type activities of the Rural Water District No. 10 as of and for the years ended December 31, 2018 and 2017, which comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of the business-type activities of the Rural Water District No. 10, Leavenworth County, Kansas, as of December 31, 2018 and 2017, and the respective changes in net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rural Water District No. 10, Leavenworth County, Kansas financial statements as a whole. The Schedule of Insurance in Force is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Karlin & Long, LLC
Certified Public Accountants
Lenexa, KS
April 20, 2019

Leavenworth County Rural Water District #10, Leavenworth County Management's Discussion and Analysis

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. This portion of the Water District's annual financial report is intended to provide an easily read analysis of the District's financial activities and condition, based on current known facts, for the fiscal year ending on December 31, 2018

. This information is presented in conjunction with the audited financial statements that follow.

Organizational and Business

This Water District provides water services. The District is currently serving approximately 339 meters. The water is supplied mainly to residential customers.

Overview of the Financial Statements

This annual report consists of the following parts: 1) Management's Discussion and Analysis, 2) Basic Financial Statements, 3) Other Required Supplementary Information in the form of Notes.

Financial Statements

The Financial Statements of the District report information utilizing the full accrual basis of accounting. The District's assets and liabilities are reported on the Statement of Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expense and Changes in Net Assets present the results of the District's operations over the course of the fiscal year and provides information as to how the net position changed during the year. This statement can be used as an indicator that the District is successfully recovering costs through user fees and other charges.

The Statement of Cash Flows presents changes in cash and cash equivalents resulting from operations, capital, non-capital, and investing and financing activities. From the Statement of Cash Flows, the reader can obtain comparative information on the source and use of cash and the change in the cash and cash equivalents balance for each of the last two fiscal years.

Financial Analysis

Financial Highlights (see table 1)

The total assets of the District exceed total liabilities by \$1,703,582.

The total assets increased from last year by \$ 3,173.

Capital assets decreased during the fiscal year by \$ 72,975 or 6.6%.

The District's total net assets increased by \$ 3,087 or 0.2% during the year.

Table 1
Condensed Statement of Net Assets

	2018	2017	Variance	% Change
Current and other assets	\$ 680,218	\$ 604,070	\$ 76,148	11%
Capital assets, net	1,032,376	1,105,351	(72,975)	-7%
Total assets	\$ 1,712,594	\$ 1,709,421	\$ 3,173	0%
Long-term debt	\$ -	\$ -	\$ -	0%
Other liabilities	9,012	8,926	86	1%
Total liabilities	\$ 9,012	\$ 8,926	\$ 86	1%
Net assets invested in capital assets, net of related debt	\$ 1,032,376	\$ 1,105,351	\$ (72,975)	-7%
Unrestricted net assets	671,206	595,144	76,062	11%
Total net assets	\$ 1,703,582	\$ 1,700,495	\$ 3,087	0%

Results of Operation

Changes in the District's net assets for the year (see table 2)

	2018	2017	Variance	% Change
Revenues:				
Operating Revenues	\$ 229,109	\$ 211,922	\$ 17,187	8%
Non Operating Revenues	36,485	48,885	(12,400)	-34%
Total Revenues	\$ 265,594	\$ 260,807	\$ 4,787	2%
Expenses:				
Operating Expenses	\$ 189,532	\$ 210,346	\$ (20,814)	0%
Depreciation	72,975	72,975	0	0%
Non Operating Expenses	-	-	-	0%
Total Expenses	\$ 262,507	\$ 283,321	\$ (20,814)	-7%
Changes in net assets	\$ 3,087	\$ (22,514)	\$ 25,601	829%
Beginning net assets	1,700,495	1,723,009	(22,514)	-1%
Ending net assets	\$ 1,703,582	\$ 1,700,495	\$ 3,087	0%

Results of Operation (continued)

The District's total operating revenues of \$229,109 for the year increased by \$ 17,187 or 8.1%.

The District's change in net assets increased by \$ 3,087.

Operating expenses decreased by \$ 20,814 primarily due to reductions in the cost of water purchased.

Capital Assets

The District has \$1,032,376 in capital assets (net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction or improvements of those assets).

Debt Administration

At the end of fiscal year 2018, the District had long term debt outstanding of \$ -0-, of which \$-0- is the current portion.

Other Factors

There are no deferred outflows of resources. There are no deferred inflows of resources.

Additional Financial Information

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the General Manager at 13262 222nd Road, Linwood, KS 66052, or (913) 723-3452.

LEAVENWORTH COUNTY RURAL WATER DISTRICT NO. 10

Statements of Net Position
As of December 31, 2018 and 2017

ASSETS		2018	2017
Current Assets			
Cash and cash equivalents	\$	244,992	\$ 64,381
Certificates of deposit			26,372
Account receivable		20,180	20,673
Prepaid insurance		1,773	1,658
Total current assets		266,945	113,084
Certificates of deposit, noncurrent portion		413,273	474,012
Certificate of deposit, Bond reserve account			16,974
Property, plant, and equipment, net		1,032,376	1,105,351
Total Assets	\$	1,712,594	\$ 1,709,421
LIABILITIES AND NET POSITION			
Current Liabilities			
Accounts payable	\$	7,652	\$ 7,564
Accrued expenses		1,360	1,362
Total current liabilities		9,012	8,926
Net position			
Invested in capital, net of debt		1,032,376	1,105,351
Unrestricted		671,206	595,144
Total net position	\$	1,703,582	\$ 1,700,495

The notes to the financial statements are an integral part of this statement.

LEAVENWORTH COUNTY RURAL WATER DISTRICT NO. 10

Statements of Revenues, Expenses and Changes in Net Position
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Water sales	\$ 229,109	\$ 211,922
Cost of water	<u>95,178</u>	<u>121,147</u>
Gross profit from water sales	<u>133,931</u>	<u>90,775</u>
Operating Expenses		
Salaries and payroll taxes	26,078	27,047
Utilities and telephone	1,803	1,706
Office expenses	6,552	3,647
Repairs, maintenance and contract labor	35,734	44,306
Professional fees	7,050	1,550
Rent	1,440	1,200
Dues and memberships	317	454
Advertising, Bank fees, Safe deposit box	15	38
Testing	463	553
Entertainment	52	49
Insurance	4,443	4,087
Mileage and miscellaneous	4,340	2,946
Sales tax and water fees	1,507	1,408
Locates	226	208
Continuing education	584	-
Meter installation	3,750	-
Depreciation and amortization	<u>72,975</u>	<u>72,975</u>
	<u>167,329</u>	<u>162,174</u>
Loss from operations	<u>(33,398)</u>	<u>(71,399)</u>
Nonoperating Revenues (Expense)		
Interest income	9,535	9,387
Interest expense	-	-
Reimbursements and other fees	<u>2,950</u>	<u>9,498</u>
	<u>12,485</u>	<u>18,885</u>
Income before capital contributions	(20,913)	(52,514)
Benefit Units and Aid in Construction	<u>24,000</u>	<u>30,000</u>
Change in Net Position	3,087	(22,514)
Net Position, Beginning of Year	<u>1,700,495</u>	<u>1,723,009</u>
Net Position, End of Year	\$ <u><u>1,703,582</u></u>	\$ <u><u>1,700,495</u></u>

The notes to the financial statements are an integral part of this statement.

LEAVENWORTH COUNTY RURAL WATER DISTRICT NO. 10

Statements of Cash Flows
For the years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Cash received from members for water	\$ 229,602	\$ 214,497
Cash payments to suppliers for goods and services	(163,483)	(185,482)
Cash payments to employees for services	<u>(26,078)</u>	<u>(27,047)</u>
Net Cash Provided By Operating Activities	<u>40,041</u>	<u>1,968</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of benefit units and aid in construction	24,000	30,000
Payments on long-term debt	-	-
Interest paid	-	-
Purchase of property and equipment	<u>-</u>	<u>(46,277)</u>
Net Cash Provided By Capital and Related Financing Activities	<u>24,000</u>	<u>(16,277)</u>
Cash Flows from Noncapital Financing Activities		
Other	<u>2,950</u>	<u>9,498</u>
Cash Flows from Investing Activities		
Change in certificates of deposit	104,085	(9,131)
Interest received	<u>9,535</u>	<u>9,387</u>
Net Cash Provided By Investing Activities	<u>113,620</u>	<u>256</u>
Net Change in Cash and Equivalents	180,611	(4,555)
Cash and Equivalents, Beginning of Period	<u>64,381</u>	<u>68,936</u>
Cash and Equivalent, End of Period	\$ <u><u>244,992</u></u>	\$ <u><u>64,381</u></u>
Reconciliation of operating income to net cash		
provided by operating activities		
Operating income	\$ (33,398)	\$ (71,399)
Adjustments to reconcile operating income		
to net cash provided by operating activities		
Depreciation and amortization	72,975	72,975
Changes in		
Accounts receivable	493	2,575
Prepaid expenses	(115)	107
Accounts payable	88	(2,234)
Accrued liabilities	<u>(2)</u>	<u>(56)</u>
Net cash provided by operating activities	\$ <u><u>40,041</u></u>	\$ <u><u>1,968</u></u>

The notes to the financial statements are an integral part of this statement.

RURAL WATER DISTRICT NO. 10
Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Organization

Rural Water District No. 10, Leavenworth County (the District) was organized under Kansas law and is accounted for as an enterprise fund using the accrual basis of accounting. The District's purpose and objective is to acquire water and water rights, to build and acquire pipelines and for the purpose of furnishing water for domestic, agriculture, and/or other purposes. The District provides services to patrons in Leavenworth County. Total benefit units at December 31, 2018 and 2017 were 339 and 335, respectively.

GASB Statement No. 34

In June 1999, GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The statement known as the "Reporting Model" statement, affects the way the District prepares and presents information.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments, including special purpose governments. The statement was developed to make annual reports easier to understand and more useful to the people who use governmental information to make decisions and includes:

Management's Discussion and Analysis

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analysis overview of the District's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

Statement of Net Position or Balance Sheet

This statement is designated to display the financial position of the District. Districts report all capital assets, including infrastructure. The net assets of the District will be broken down into three categories 1) invested in capital assets, net of depreciation; 2) restricted (if applicable); and 3) unrestricted.

RURAL WATER DISTRICT NO. 10
Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (continued)

GASB Statement No. 34 (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues, expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Measurement focus refers to what is being measured. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. With this measurement focus, all assets and all liabilities are included on the statement of net assets. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The statement of cash flows provides information about how the District meets the cash flow needs of its activities.

GASB Statement No. 20

Under GASB Statement No. 20, *Accounting and Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, all proprietary funds continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds have the option of either choosing not to apply future FASB standards (including amendments of earlier pronouncements), or continuing to follow new FASB pronouncements (unless they conflict with GASB guidance). The District has chosen not to apply future FASB standards for proprietary funds.

Budget

The District prepares its budget for the fiscal year using the same basis of accounting as the financial statements. A comparison of actual to budget is not presented in the financial statements.

Cash and Cash Equivalents

For the purposes of the statement of cash flows the District defines cash and cash equivalents as demand deposits and certificates of deposit at banks with maturities of three months or less.

RURAL WATER DISTRICT NO. 10
Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (continued)

Certificates of Deposit

The certificates of deposit represent nonnegotiable certificates of deposit. The Certificates of deposit are recorded at cost because they are not affected by market rate changes.

Accounts Receivable

The District reads meters during the week of the 20th each month and the invoices are mailed out on the 1st of each month. Payments for water service are due the 5th day of the following month or will be subject to a late fee of \$10 The District considers all accounts collectable.

Property, Plant, and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Improvements and betterments to existing property and equipment are capitalized. Expenditures for maintenance and repair which do not extend the life of the applicable assets are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The district does not have a formal capitalization policy. Depreciation expense totaled \$ 72,975 and \$ 72,975 for the years ended December 31, 2018 and 2017, respectively.

Benefit Units

Benefit units are rights that entitle the holder to water service. Benefit units are presently sold for \$ 6,000.

Aid in Construction

Aid in Construction represents contributions from the members for line extensions, and are included in the statement of activities

RURAL WATER DISTRICT NO. 10
Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (continued)

Income Taxes

The District is considered a tax-exempt entity and is not subject to income taxes at either the federal or state level. The District's payroll tax returns for the years ending 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Net Position

The District's net position is classified as follows:

Invested in capital assets, net of accumulated depreciation – This represents the District's total investment in capital assets, net of accumulated depreciation.

Unrestricted net position – This includes resources derived from sales and services. These resources are used for transactions relating to providing sales and services and general operations of the District and may be used at the discretion of the governing board to meet current expense for any purpose.

Use of Estimates

The preparation of financial statements in compliance with generally accepted accounting principles requires managements to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – Deposits and Investments

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the district. The statute requires banks eligible to hold the district's funds have a main or branch bank in the county in which the district is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The district has no other policies that would further limit interest rate risk.

RURAL WATER DISTRICT NO. 10
Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (continued)

Deposits (continued)

K.S.A. 12-1675 limits the district's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices

Concentration of Credit Risk

State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At December 31, 2018 and 2017, the District's carrying amount of deposits, including certificates of deposit, were \$658,265, and \$581,739, respectively and the bank balances were \$666,975 and \$586,781, of which \$666,975, and \$579,068 was covered by FDIC insurance and pledged securities, respectively. The remaining balances of \$ -0- and \$7,713 for December 31, 2018 and 2017, respectively, were unsecured.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance.

RURAL WATER DISTRICT NO. 10

Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Risk Management (continued)

There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years. See Schedule of Insurance in Force for details of insurance.

NOTE 4 – Compliance with Kansas Statutes

References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the water district. We noted a violation of the Depository Security Law of Kansas statutes during the years ended December 31, 2018 and 2017, respectively.

NOTE 5 – Contracts

The District is contracted to purchase water from Jefferson County Rural Water District 13 through 2018. A total of 4,007,000 and 5,176,400 gallons were purchased from Jefferson County Rural Water District 13 during 2018 and 2017 respectively. The District is limited to 72,000 gallons per day.

The District also purchased water from Suburban Water Company. The District purchased a total of 19,642,321 and 26,071,208 gallons during 2018 and 2017, respectively.

The average cost of water was \$4.02 per thousand gallons.

NOTE 6 – Property, Plant, and Equipment

The following represents property, plant, and equipment of the District:

	2018	2017
Water System	\$ 2,050,596	\$ 2,050,596
Water Rights	28,735	28,735
	2,079,331	2,079,331
Accumulated depreciation	1,018,996	947,574
Accumulated amortization	27,959	26,406
Book value	\$ 1,032,376	\$ 1,105,351

RURAL WATER DISTRICT NO. 10
Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 6 –Property, Plant, and Equipment (continued)

The following represents a roll-forward of property, plant, and equipment as of December 31, 2018, and 2017:

	2018 Rollforward			
	Beginning Balance	Additions	Dispositions	Ending Balance
Water Systems	\$ 2,050,596	\$ -	\$ -	\$ 2,050,596
Water Rights	28,735	-	-	28,735
	<u>\$ 2,079,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,079,331</u>
Accumulated Depreciation	947,574	71,422	-	1,018,996
Accumulated Amortization	26,406	1,553	-	27,959
Book Value	<u>\$ 1,105,351</u>			<u>\$ 1,032,376</u>

	2017 Rollforward			
	Beginning Balance	Additions	Dispositions	Ending Balance
Water Systems	\$ 2,004,319	\$ 46,277	\$ -	\$ 2,050,596
Water Rights	28,735	-	-	28,735
	<u>\$ 2,033,054</u>	<u>\$ 46,277</u>	<u>\$ -</u>	<u>\$ 2,079,331</u>
Accumulated Depreciation	876,152	71,422	-	947,574
Accumulated Amortization	24,853	1,553	-	26,406
Book Value	<u>\$ 1,132,049</u>			<u>\$ 1,105,351</u>

RURAL WATER DISTRICT NO. 10
Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Property, Plant, and Equipment (continued)

Capitalization policies, depreciation methods, and estimated useful lives of capital assets are as follows:

	<u>Capitalization Policy</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	5,000	Straight Line	20 - 40 years
Equipment	5,000	Straight Line	3 - 20 years
Water systems	5,000	Straight Line	10 - 20 years
Furniture and Fixtures	5,000	Straight Line	7-10 years

NOTE 7 – Related Party Transactions

The District rents office space from an employee of the District. The District paid \$1,200 and \$1,200 for the space in 2018 and 2017 respectively.

NOTE 8 – Compensated Absences

The District provides sick and vacation leave to its employees. The amounts are being expensed when sick and vacation leave is taken.

NOTE 9 – Subsequent Events Review

Subsequent events for management's review have been evaluated through April 20, 2019. This is the date the financial statements were available to be issued.

LEAVENWORTH COUNTY RURAL WATER DISTRICT NO. 10

Schedule of Insurance in Force
As of December 31, 2018

Property Covered	Coverage	Expires
Commercial property:		5/27/2019
Water tower 1	189,800	
Water tower 2	189,800	
Commercial General Liability:		5/27/2019
Aggregate limit	2,000,000	
Each occurrence limit	1,000,000	
Commercial Auto:		5/27/2019
Combined Liability (per loss)	500,000	
Uninsured Motorist	300,000	
Directors' and Officers' Liability:		6/30/2019
Aggregate limit	1,000,000	
Surety		6/30/2019
Aggregate limit	100,000	

The notes to the financial statements are an integral part of this statement.